

MARKET COMMENTARY

Equity market review and outlook

August 2024



Review

- Malaysian equity markets continued its upward trend in August, outperforming regional markets, however a lot of the outperformance was focused on the financials this month. Global markets corrected sharply in the beginning of the month, post the BoJ rate hike on the 31 July, and the unwinding of the Yen carry trades. The Malaysian Ringgit appreciated sharply from RM4.59/USD on 31 July to RM4.32/USD 30 Aug 2024, a gain of 5.87%. Corporate earnings reported for the 2Q2024 were mostly inline, but the global concerns early in the month spurred many investors to take profit on the mid to smaller cap names.
- The KLCI closed the month at 1,678.80, up 3.27% mom. The FBM Small Cap index declined 10.07% for the month, underperforming the KLCI. The best performing sectors were Finance (+8.5%) and Plantation (+1.5%). The worst performing sectors were Technology (-14.9%) and Construction (-10.6%). Average value traded on Bursa in Aug was RM3841m lower by 7.68% mom.

Outlook

- The market turmoil at the start of August saw a quick recovery surprisingly. Malaysia continued its uptrend and outperformed the regional markets in local currency terms and in USD basis. However looking forward to September, it has historically been a negative month for Malaysian equities, having only seen positive performance in one out of the last ten years. MYR is likely to hold on to its strength versus the USD, which will be negative for exporters, but positive for those whose input costs are USD denominated. Domestically the Malaysian economy has been on a firm path of progress, with data points improving, investments coming in, tourism numbers higher, and consumer spending resilient. Nevertheless, we are cognisant of the external risks that persists stemming from geo-political tensions in the Middle East, and the US Elections. Any corrections would provide the opportunity to accumulate fundamentally sound stocks, at better valuations.

Index performance & movers

FBM100 INDEX

START DATE	31-Jul-24	END DATE	31-Aug-24
START	12,109.16	END	12,187.62
NET CHG	78.46		0.65%

Name	Price	Net Chg	% Chg	Name	Price	Net Chg	% Chg
1 Petronas Dagangan Bhd	21.08	3.78	21.85 %	1 SP Setia Bhd Group	1.10	-0.53	(32.52)%
2 Yinson Holdings BHD	2.87	0.49	20.52 %	2 Guan Chong Bhd	2.93	-0.96	(24.68)%
3 AMMB Holdings Bhd	5.20	0.76	17.12 %	3 Malaysian Pacific Industries B	29.60	-9.06	(23.44)%
4 Public Bank Bhd	4.82	0.64	15.31 %	4 UEM Sunrise Bhd	0.88	-0.26	(22.81)%
5 CIMB Group Holdings Bhd	8.20	0.99	13.7 %	5 Hartalega Holdings Bhd	2.47	-0.71	(22.33)%
6 AFFIN Bank Bhd	3.28	0.33	11.1 %	6 Pentamaster Corp Bhd	3.95	-1.07	(21.31)%
7 Hong Leong Bank Bhd	21.22	2.02	10.52 %	7 D&O Green Technologies Bhd	2.76	-0.74	(21.14)%
8 Maxis Bhd	3.86	0.32	9.04 %	8 Unisem M Bhd	3.15	-0.84	(21.05)%
9 Hong Leong Financial Group Bhd	18.70	1.50	8.72 %	9 UM Corp Bhd	2.87	-0.70	(19.61)%
10 RHB Bank Bhd	6.13	0.47	8.30 %	10 Sunway Construction Group Bhd	4.01	-0.86	(17.66)%

Source: Bloomberg

Indices	Last Price			MoM Changes		YTD Changes	
	31-Dec-23	31-Jul-24	31-Aug-24	+/-	%	+/-	%
FBMKLCI	1,454.66	1,625.57	1,678.80	53.23	3.27%	224.14	15.41%
FBMMES	5,322.03	5,661.38	5,116.09	-545.29	-9.63%	(205.94)	-3.87%
FBM100	10,485.72	12,109.16	12,187.62	78.46	0.65%	1,701.90	16.23%
FBM70	14,612.98	18,488.08	17,443.92	-1,044.16	-5.65%	2,830.94	19.37%
FBMSCAP	16,353.38	19,411.14	17,457.02	-1,954.12	-10.07%	1,103.64	6.75%
FBMEMAS	10,823.70	12,517.21	12,484.26	-32.95	-0.26%	1,660.56	15.34%
FBMSHA	10,988.71	12,762.46	12,286.67	-475.79	-3.73%	1,297.96	11.81%
FBMHJRAH	11,783.61	13,190.44	13,084.62	-105.82	-0.80%	1,301.01	11.04%
FBMSCAPS	15,104.22	17,934.13	16,174.84	-1,759.29	-9.81%	1,070.62	7.09%
MSCI APxJ	528.89	565.54	577.37	11.84	2.09%	48.48	9.17%
MSCI ACWI	727.00	814.16	833.68	19.52	2.40%	106.68	14.67%

Source: Bloomberg

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